GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2036
ANSWERED ON:08.03.2000
RESTRUCTURING OF SAIL
NARESH KUMAR PUGLIA

Will the Minister of STEEL be pleased to state:

(a) whether the Government have prepared a restructuring package for the Steel Authority of India Ltd;

(b) if so, the salient features thereof;

(c) whether the Department of disinvestment has asked the Ministry of Steel to consider disinvestment in the Steel Authority of India Ltd.;

(d) if so, the details thereof; and

(e) the opinion of the Ministry of Steel about the disinvestment in the steel Authority of India Ltd.?

Answer

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) & (b): Financial cum business restructuring package for SAIL has already been approved by the Government and its details are as under:
i) Financial Restructuring of SAIL by waiving of loans advanced to it from Steel Development Fund to a value of Rs. 5073 crore and Rs.381 crore from the Govt. of India.
ii) Provision of Government guarantees with 50% interest subsidy for loan and interest thereon of Rs. 1500 crore to be raised by SAIL from the market to finance reduction in manpower through Voluntary Retirement Scheme.
iii) Provision of Government guarantee for loan and interest thereon of Rs.1500 crore including Rs.500 crore already agreed to be raised by SAIL from the market primarily for meeting repayment obligation on past loans during 1999-2000.
iv) To initiate the process of divestment of following non-core assets while protecting jobs of existing employees
- Power Plants at Bokaro, Durgapur and Rourkela - 2x60 MW Captive power plant- II at Rourkela Steel Plant and the Central Power Training Institute at Rourkela - 2x50 MW Captive power plant - II at Durgapur Steel Plant - 122 MW (2x55 MW + 12 MW back pressure turbine) Captive Power Plant - I, 3x60 MW Captive Power Plant - II and steam generating capacity of 660 MT/hour at Bokaro Stee Plant - Oxygen Plant - II of Bhilai Steel Plant - Salem Steel Plant(SSP), Salem - Alloy Steels Plant (ASP), Durgapur - Visvesvaraya Iron & Steel Plant(VISL), Bhadravati - Fertiliser Plant at Rourkela
v) Allowing SAIL to have a minority shareholding in any joint venture contemplated for revival of India Iron & Steel Company (IISCO).

(c) to (e): Ministry of Steel duly obtained the comments of the concerned Ministries including Department of Disinvestment, before placing the financial-cum-business restructucring proposal for approval of Government. The views of the concerned Ministries were considered by Government while approving the package mentioned at (a) and (b).